

Message Text

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SOR US DELEGATION TO SPECIAL COMMITTEE OF OAS

FOLLOWING REPEAT GENEVA 6179 ACTION SECSTATE INFO USUN
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QUOTE

UNCLAS GENEVA 6179

E.O. 11652: N/A

TAGS: ECOSOC, EIND

SUBJECT: MULTINATIONAL CORPORATIONS

REF: STATE 224787 (NOTAL)

BEGIN SUMMARY. GROUP OF EMINENT PERSONS ON MULTINATIONAL
CORPORATIONS (MNCS) HELD PRIVATE AND PUBLIC SESSIONS IN
GENEVA NOV. 1-16. GROUP HEARD VIEWS OF VARIOUS INTERESTED
PARTIES INCLUDING GOVERNMENTS, BUSINESS, LABOR AND ACADEMICS.
WHILE MOST RECOGNIZED POSITIVE ASPECTS OF MNCS, WITNESSES
TENDED CONCENTRATE ON ALLEGED ACTUAL OR POTENTIAL NEGA-
TIVE INFLUENCES AND WHAT, IF ANYTHING, SHOULD BE DONE BY
INTERNATIONAL COMMUNITY TO CURB ALLEGED ABUSES OF MNCS.
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ACCORDING TO PRESS, CHAIRMAN ANTICIPATES MEETING OF

DRAFTING GROUP IN ROME IN JANUARY TO DRAFT REPORT FOR REVIEW IN NEW YORK IN MARCH BEFORE SUBMISSION TO ECOSOC IN JULY 1974. END SUMMARY.

1. ECOSOC GROUP OF EMINENT PERSONS ON MULTINATIONAL CORPORATIONS (MNCS) MET IN GENEVA NOV 1-16, 1973 UNDER CHAIRMANSHIP L.K. JHA (INDIA). PUBLIC SESSIONS WERE HELD THROUGH NOV 15 AND CONDUCTED IN FORM OF HEARINGS AT WHICH VIEWS OF BUSINESS, LABOR, GOVERNMENT, ACADEMIC AND OTHER INTERESTED BODIES WERE HEARD. GROUP ALSO HELD SEVERAL PRIVATE SESSIONS. ACCORDING TO PRESS, CHAIRMAN SAID HEARINGS NOW COMPLETE AND DRAFTING GROUP WILL MEET IN ROME IN JANUARY TO WRITE REPORT FOR REVIEW IN NEW YORK IN MARCH BEFORE SUBMISSION TO JULY ECOSOC.

2. BASIS FOR DISCUSSION WAS UN SECRETARIAT DOCUMENT ON MNCS (ST/ECA 190). REVIEW OF AVAILABLE PUBLIC INFORMATION INDICATES THAT WHILE MOST RECOGNIZED POSITIVE ASPECTS OF MNCS ON ECONOMIC DEVELOPMENT, PARTICULARLY IN DEVELOPING COUNTRIES, COMMENTS TENDED TO CONCENTRATE: (1) ON ACTUAL OR POTENTIAL NEGATIVE INFLUENCES OF MNCS AND (2) WHAT, IF ANYTHING, SHOULD BE DONE BY INTERNATIONAL COMMUNITY TO CURB ALLEGED ABUSES OF MNCS. VIEWS OF INDIVIDUAL WITNESSES TENDED TO REFLECT EXPECTED REACTION (ONE BRITISH PROFESSOR--PENROSE--, HOWEVER, ARGUED ROLE OF MNCS GREATLY EXAGGERATED AND THERE NO EMPIRICAL EVIDENCE THAT THEY STULTIFYING GROWTH OF LDC'S). BUSINESS TENDED TO EMPHASIZE POSITIVE CONTRIBUTIONS OF MNCS AND PLAY DOWN NEED FOR ACTION BY INTERNATIONAL COMMUNITY; REPS OF LDC'S, ON OTHER HAND, TENDED TO EMPHASIZE NEGATIVE ASPECTS OF MNCS. AND NEED FOR INTERNATIONAL CONTROL ON ACTIONS OF MNCS.

3. PRINCIPAL THEMES WERE DICTATED BY SUGGESTIONS FOR POSSIBLE ACTION MADE IN SECRETARIAT DOCUMENT. TO EXTENT POSSIBLE GENERALIZE, MOST WITNESSES APPEARED TO ACCEPT NEED FOR APPROPRIATE COLLECTION AND DISSEMINATION BY UN OF INFORMATION ON MNCS BUT WITH BUSINESS RESERVING ON QUESTION OF INFORMATION THAT MIGHT HELP COMPETITORS. MANY WITNESSES THOUGHT INTERNATIONAL FORUM FOR DISCUSSION WOULD BE USEFUL. (INTERNATIONAL CHAMBER OF UNCLASSIFIED

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COMMERCE (ICC) QUESTIONED NEED FOR FORUM BUT DID NOT ACTUALLY REJECT CONCEPT).

4. POINTS OF VIEW ON OTHER ISSUES WERE DIVERGENT PARTICULARLY ON QUESTION OF REGULATIONS. BUSINESS COMMUNITY GENERALLY QUESTIONED NEED FOR ANY REGULATION. TO EXTENT INTERNATIONAL REGULATION NECESSARY, THEY TENDED TO PREFER, VOLUNTARY, NON-BINDING CODE OF CONDUCT

SIMILAR TO ONE DRAFTED BY ICC. REPS OF GOVERNMENTS OF SOCIALIST COUNTRIES AND DEVELOPING COUNTRIES (WITH NOTABLE EXCEPTION OF NIGERIA) CAME OUT STRONGLY FOR REGULATION OF MNCs BY INTERNATIONAL COMMUNITY. REGULATION ALSO SUPPORTED, TO GREATER OR LESSER DEGREE, BY ANDEAN GROUP, OPEC, MOST ACADEMIC EXPERTS AND CONSUMERS UNION. COMMISSION OF EUROPEAN COMMUNITY EXPLAINED CONCEPT OF REGULATION OF MNCs WITHIN COMMUNITY. OTHER ISSUES DISCUSSED WERE NATIONAL TAXATION POLICY, MACHINERY FOR DISPUTE SETTLEMENT AND TO LESSER EXTENT TECHNICAL COOPERATION INCLUDING UN ADVISORY SERVICES TO HELP LDC'S REVIEW AND NEGOTIATE AGREEMENTS WITH MNCs.

5. WE HAVE BEEN TOLD BY RELIABLE SOURCE, WHO PARTICIPATED IN MEETINGS, THAT IN CLOSED SESSIONS GROUP DID NOT REACH ANY CONCLUSIONS. VIEWS OF EMINENT PERSONS DIFFER ON MANY CENTRAL SUBSTANTIVE ISSUES AND IT NOT CLEAR EXTENT TO WHICH WILL BE POSSIBLE REACH AGREED CONCLUSIONS. IN CIRCUMSTANCES FOCUS SEEMS BE SHIFTING TO PROCEDURE, I.E. WHAT, IF ANY, SHOULD BE NATURE OF CONTINUING MACHINERY?

6. MISSION IS AIRPOUCHING PRESS RELEASES ON MEETING ISSUED BY UN OFFICE GENEVA. UNDERSTAND COPIES OF STATEMENTS DISTRIBUTED IN ONLY LIMITED QUANTITIES TO PERSONS OFFICIALLY ATTENDING MEETINGS BUT MIGHT BE AVAILABLE FROM UN SECRETARIAT NY (GUSTAVE FEISSEL, SPECIAL ASSISTANT TO DE SEYNE). FOR FIRST-HAND ACCOUNT OF MEETING, DEPT. MAY WISH CONTACT J. IRWIN MILLER (MEMBER OF GROUP FROM US) WHO WAS PRESENT AT MOST IF NOT ALL SESSIONS, AND FRANK BALLANCE, WHO ATTENDED SEVERAL SESSIONS ON BEHALF OF GROUP MEMBER FROM US, SENATOR JACOB JAVITS. BASSIN UNQUOTE KISSINGER
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